



Concept Paper # 228

11/19/12

Name of document to be reviewed: OPEX Scanner Interface for Check Processing

(Please check one item listed in the following two sections)

Document for review and approval:

☒ **X Request for Proposal (RFP)**

☐ **Request for Service (RFS)**

☐ **Request for Quote (RFQ)**

☐ **Invitation to Qualify**

☐ **Sole Source Procurement**

☐ **Statement of Work**

☐ **Staff Augmentation**

☐ **Master Agreement Purchase**

NOTE: Sole source procurements will also need authorization from DAS Procurement for this type of purchase. Please also contact DAS Procurement at this location:

<http://das.gse.iowa.gov/procurement/solesource%202010.pdf>

Document for review only:

☐ **Master Agreement**

☐ **Request for Information (RFI)**

Agency: Iowa Department of Revenue

RFP Reference #:

Release Date:

This project is requesting IOWAccess funds: Yes ☐ No ☒

NOTE: IOWAccess concept papers are to be sent to Wes Hunsberger (Wes.Hunsberger@iowa.gov) for an internal DAS review.

Projected cost over \$50,000? Yes ☒ No ☐

Projected agency staff hours over 750? Yes ☐ No ☒

Project Cost, Funds and Funding Source:

Please list the internal and external resources/costs for the purchase:



Internal Resources/Costs: Estimated \$120,000 split between FY13 and FY14 utilizing IDR Collections Funds

External Resources/Costs:

Timelines: IDR desires to have check processing interface software deployed and functional as close to the start of calendar year 2103 as possible (before high volume receipt of tax returns takes place).

Goal: To improve efficiency and speed of check handling, accounting, and deposit processes by utilizing in-house scanning capability and enhanced electronic deposit means (Check 21).

Background: IDR currently depends on an aging check processing system. The system hardware is out-of-date and it is difficult to obtain replacement parts. The system software also is old and cannot be enhanced or updated. **Jeff Franklin reports this legacy solution is the number one security issue for IDR.** IDR has invested in imaging technology, procuring two OPEX 7200 series scanners in 2011 and two additional scanners in 2012. IDR is currently utilizing these scanners for imaging of individual income tax returns and will soon also be scanning Declaration of Value documents received for sale of Iowa property.

IDR has initiated a project to move check processing off of the existing check processing system. Checks and associated payment vouchers will be scanned utilizing the OPEX scanners, payment will be processed from the scanner output, and electronic accounting of funds will be used. Accounts receivable payments will be implemented first. This will be followed by individual income/corporation tax payments and estimated payments.

IDR desires to procure a software suite that will capture check/voucher images and data from the Department's existing OPEX 7200 scanners, and bridge the images and data to the Department's tax system and the State banking system (Wells Fargo) utilizing Check 21. System workflow monitoring and event/status reporting is also needed in this system for end-to-end audit trail accounting.

To meet the timeline described above, IDR create an RFP (through DAS) for a check processing software suite that interfaces with OPEX scanners and provides the functionality that IDR requires to replace the current aging check processing system.

Expected Results:

What are the tangible and intangible benefits of this purchase for this agency and/or state government?

The implementation of this software suite will allow IDR to move off of the current check processing system. This will bring a much higher level of confidence to the availability of IDR's check processing capability by moving off of an old, unsupported system. It will also mitigate the security risk that the current check processing system presents.

Can these benefits be quantified in financial terms? If yes, please explain.

No



How will you be more effective as a result of this purchase?

IDR will be able to process checks quicker and deposit the funds quicker. Workflow monitoring will identify issues quicker and allow for better check processing tracking. **Security risk will be mitigated.**

How will service to your customers be enhanced as a result of this purchase?

Quicker processing and deposit of checks received by the Department will allow more rapid disbursement of funds to the State. **Security risk will be mitigated.**

Testing and Acceptance:

All software procured will be tested in accordance with Department and Enterprise security and SDLC requirements prior to production implementation.

Some of the Interested Parties:

IDR staff, particularly in the Processing, Accounts Receivable, Collections, and Customer Accounts areas. Wells Fargo as the State's bank receiving funds.

Some of the Recipients of this Service:

IDR staff, particularly in the Processing, Accounts Receivable, Collections, and Customer Accounts areas. Wells Fargo as the State's bank receiving funds.

Standards:

All software procured will be tested in accordance with Department and Enterprise security and SDLC requirements prior to production implementation.

Architecture:

IDR will maintain consistency with Department and Enterprise architectural requirements. The architecture will include OPEX scanning hardware, PaperVision image repository, and Check 21. In addition, the code base and any databases used should conform to IDR standards.

Business Continuity / Disaster Recovery:

The check processing system will be incorporated into COOP/COG planning. **This system has a COOP/COG rating requiring less than one week down time.**



Recommendations from the State CIO:

NOTE: Where applicable, all DAS GSE Procurement and IA Administrative Code 11-105 and 11-106 requirements and procedures are to be followed. Reference: <http://das.gse.iowa.gov/procurement/>, specifically: <http://das.gse.iowa.gov/procurement/adminrules/>.

Duplication recommendation from the State CIO to the DAS Director:

- a) Is there duplication within Government? *(Please identify duplication at the agency level, as well as within the enterprise)*
- b) Can an existing program be modified to address a new need?
- c) Do you have any similar program in existence?
- d) Have you sought IT procurements for similar programs in the past?
- e) Do you have purchasing documents for similar programs?
- f) Do you have similar purchasing documents that could be used as a starting point for this program?
- g) Is there anything you could provide that could assist the agency with this IT procurement?
- h) Are there alternatives available to the agencies?

Recommendation of the State CIO to the DAS Director:

Authorize this IT procurement Yes X No ____

Alternatives suggested by the State CIO
(see comments below) Yes ____ No X

Additional comments from the State CIO:

Approved for RFP with a note of the following statement included in the concept paper:
“IDR desires to have check processing interface software deployed and functional as close to the start of calendar year 2103 as possible (before high volume receipt of tax returns takes place).”

DAS Director's action:

Authorize this IT procurement Yes X No ____

The above IT procurement concept approved by Director Carroll on 11/27/12

Comments: **None.**